

TIF GRANT PROGRAM GUIDELINES
for the
DOWNTOWN TIF DISTRICT

WHEREAS, the City Council of the City of Granite City, by prior ordinances, determined blighted and deteriorating conditions exist in its downtown area, and

WHEREAS, the City of Granite City has (1) enhanced, improved and applied resources to improve its existing public streets and facilities, (2) induced enhancements of facilities of other government units, and (3) has created new City public facilities, all located within its downtown area, in anticipation that such efforts and future commitments will abate the present deteriorating factors and encourage private ownership and private investors to invest in its historic downtown, and

WHEREAS, the City of Granite City elects to further said progress by offering financial assistance for building façade and other building improvements through the use of Tax Increment Financing (TIF) revenues (a “TIF Grant”) as provided for in the City of Granite City Tax Increment Redevelopment Plan and Project for the Downtown TIF Redevelopment Project Area (the “TIF District”). This is applicable to a specific area of the City, and a property must be within the borders of the Downtown TIF District *and* within the area subject to the purview of the Historical & Architectural Review Commission (the “HARC”) to be eligible for funding assistance (see attached map). Also, the expenditure of TIF revenues is limited to “*costs of rehabilitation, remodeling and repairs to existing private buildings*”, with priority being given to building façade improvements and bringing buildings up to code.

NOW THEREFORE, BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRANITE CITY AS FOLLOWS:

SECTION ONE: GRANT

If TIF funds are available, the City may offer TIF Grants for certain projects as defined below. These grants are paid on a reimbursement basis to the applicant. As such, TIF Grants are not given to a property owner in advance, but rather on a reimbursable basis. Recipients of TIF Grant funds are required to enter into a redevelopment agreement with the City of Granite City, which provides for terms and covenants.

Grants may be provided up to the maximum stated in these guidelines and shall be applied to façade improvements and/or bringing the building up to compliance with the City codes. To the extent the costs associated with these priority items do not exceed the maximum grant amount, the balance of the grant may be used for other permanent improvements to the building with approval of the City Council.

SECTION TWO: PROJECT TYPES

1. FACADE RESTORATION: The plans for any facade restoration located within the Downtown Historical District will be subject to review and approval by the Historical & Architecture Review Commission (the “HARC”), and property owners are encouraged to maintain the original historic character of the subject buildings in their restoration plans.
2. ADA, LIFE SAFETY, /BUILDING CODE IMPROVEMENTS: This category includes repairs and remodeling to bring an existing building into code compliance for electrical systems, accessibility, or life safety issues. Examples would include electrical and plumbing upgrades to meet code and the installation of ADA compliant restrooms and entrances.
3. OTHER PERMANENT BUILDING IMPROVEMENTS: Other permanent improvements to the building may be approved by the City, but only to the extent that the project types described in paragraphs 1 and 2 above are not necessary, as determined by the City, or if the total costs for the above project types is below the maximum Grant amount that the City may authorize.

SECTION THREE: GENERAL REQUIREMENTS AND RESTRICTIONS

1. City Council members, or employees or consultants involved with Downtown TIF Plan and projects, and who owns or controls an interest in property in the Downtown TIF District are not eligible to receive a TIF Grant.
2. The subject property, upon which the project will take place, shall be eligible for a TIF Grant only once every three years unless there are no other applications pending and there are unobligated TIF Grant funds available.
3. The project will benefit and help to retain established business in the downtown area.
4. The project will help diversify and supplement the existing business mix within the downtown area.
5. The project will meet all applicable building, and life safety codes.
6. At the time of application, all taxes, applicable fees or other debts owed the City by the building owner are paid up-to-date.
7. Housing is not viewed as a priority with the downtown portion of the TIF District, and, therefore, TIF funds will not be used to assist redevelopment projects that are primarily residential in nature. The exception to this limitation is that upper story housing within a commercial building in the HARC area may be allowed, and may receive TIF funding assistance.

8. Application for TIF funding shall be made by a person or persons having an ownership interest in the subject property. This includes the owner of record, beneficial owner of a trust, or a person having made an offer, which offer has been accepted, to purchase the subject real estate.
9. If the applicant does not own the property but is a prospective purchaser of the property, then the purchaser/application must submit either a fully executed contract to purchase the subject property .
10. The project applicant must have and be able to show adequate bank or other financing for that portion of the project costs to be reimbursed by the TIF Grant and that portion of the project costs not being reimbursed with TIF Grant funds.
11. All applicants for TIF assistance must consent to the City of Granite City conducting investigations into the creditworthiness of the applicant.
12. Applications for TIF assistance are normally considered by the City Council within 45 days of application. If approved, and funds are available, funds will normally be available for disbursement within 30 days after project completion. And proof of payment by applicant of all costs associated with the approved project.
13. All labor shall be provided at prevailing wages as established by the City Council's annual ordinance adopted in compliance with state law.

SECTION FOUR: EVALUATION CRITERIA

The City Council hereby creates the Downtown TIF Grant Review Committee to be comprised of Chairman of the Finance Committee, the Economic Development Director and a member to be appointed by the Mayor and accepted by the City Council. The TIF Grant Review Committee will review the application, and forward a recommendation for approval, or approval with conditions or changes, or disapproval to the full City Council. The City Council will make all final determinations regarding application approvals. The following criteria, in the absence of other compelling reasons or benefits to the TIF District, will be used will be used to evaluate each TIF Grant application:

1. Removal of Deteriorated Building Conditions: The value of addressing the blighting influence of deteriorating building conditions will be considered a priority.
2. Building Façade Improvements: The project will improve, repair or, as applicable, restore the building façade to its original historic character.
3. Code Compliance: The project will bring the building up to code.

4. Retain Existing Businesses: Enhancing the building façade and premises of existing established business will be a priority.
5. Return on Investment: The may consider any additional amounts of local sales tax or property tax anticipated to be generated by the project, as the City's return on investment.
6. Job Creation/Retention: The potential for a project to create new jobs and retain existing jobs within the community is viewed as a priority.
7. Private Investment: While no match of private investment is required with respect to the gran used solely for façade improvements or code compliance, the City may give priority to grants that leverage private investment. The applicant through cash investment, equity position, and/or commercial financing must supply the balance of funding of the project.

SECTION FIVE: GRANT LIMITS & FINANCIAL CAPACITY OF APPLICANT

1. City Budget and Limits on Assistance: TIF revenues and expenditures are programmed on an annual basis according to the annual budget. Funding may be limited or denied based on these constraints. The City has also adopted the following maximum limits on assistance:
 - a. Grant on any single application for facade restoration and/or ADA, life safety or code compliance: \$10,000 and no private funds required to be invested.
 - b. If (a) above is determined by the City not necessary or the total costs associated with (a) is less than \$10,000, then other permanent building improvements may be funded with grant funds subject to the following required private investment level into the project:
 - 1) The first \$5,000 of grant funding for permanent building improvements requires a 25%/75% private equity to TIF grant amount. Thus, for every \$10 of project costs, \$2.50 would be required from the property owner and \$7.50 would be covered by the Grant, provided that the Grant amount shall not exceed \$10,000. Private equity may be in the form of a private commercial loan.
 - 2) Any grant funding requested above \$5,000 requires 50%/50% private equity to TIF grant amount, provided that the grant amount shall not exceed \$10,000.
 - c. The total Grant amount for (a) and (b), combined, shall not exceed \$10,000.

- d. Only costs eligible for reimbursement under State of Illinois TIF Act and as approved by City Council shall be paid under a grant.
2. **Financial Capacity of Applicant:** The applicant must provide documentation of the financing for the project, as well as individual or corporate financial information, as may be requested by the City to determine availability of private funding, if applicable, for the project. The City reserves the right to obtain outside evaluations of relevant financial information to evaluate the financial soundness of a project or applicant.

SECTION SIX: TIF GRANT APPLICATION PROCESS

The following procedures represent the general sequence of activities that can be expected as when filing an application for funding assistance through the Downtown TIF Grant Program.

1. The application may be submitted May 1st or thereafter every year that TIF funds have been appropriated for the Downtown TIF Grant program. Applications will be considered on a first come, first serve basis.
2. Turn in a completed application with all plan drawings and/or other required attachments to the Economic Development Director (8 copies of each).
3. The Application will be reviewed by the Director of Economic Development to determine if application is complete. Once the application is deemed complete, it will be referred to the TIF Grant Review Committee to determine final eligibility of the project and the amount of assistance allowed within 30 days of the submission of all required information. If additional information is required, the Director will advise applicant of the information being requested, and upon receipt, refer to the TIF Grant Review Committee for review. The additional information, if requested, must be submitted within 30 days, or the application will need to be resubmitted in total.
4. If no additional information is needed, the TIF Grant Review Committee will determine the appropriate TIF Grant amount and contact the applicant to schedule a tour of the project site and building, if needed. City inspection staff may be invited to come on the tour of the building.
5. As soon as practical upon receipt of the completed application and associated information, the Economic Development Director shall forward the façade restoration/repair information to the HARC for their review. The HARC shall have 30 days to review and make a recommendation to the City Council pursuant to their governing rules and guidelines.
6. Once the project and grant amount has been approved by the City Council, the applicant will be asked to sign a TIF redevelopment agreement with the City and

any other appropriate program documents. Following execution of all appropriate program documents, the project may begin, subject to the terms and conditions set forth in the redevelopment agreement.

7. Upon project completion, schedule a follow-up building tour and submit actual project cost information, including copies of paid invoices, receipts, lien waivers, and such other documentation as may be required by the City to confirm TIF eligible cost incurred. An affidavit of payment of prevailing wage then in effect shall also be provided.
8. Upon receipt of evidence documenting actual project costs, the City shall have 30 days to confirm that such project costs were so incurred. Within 30 days after all requirements set for above are met, the City Council shall authorize the issuance of a check for reimbursement of eligible costs incurred, up to the amount awarded by the City Council as set forth in the redevelopment agreement.

SECTION SEVEN: MISCELLANEOUS PROVISIONS

In addition to the policies set forth above, the following miscellaneous provisions should be noted by any applicant seeking TIF assistance from the City of Granite City.

The adoption of these policies by the City Council should not be construed to mean that the provision of financial incentives using TIF revenues is inherently approved for any applicant and/or project which may be able to comply with the policies as set forth herein.

The City of Granite City reserves rights as follows:

1. To amend, modify, or withdraw these policies as it determines necessary and appropriate.
2. To require additional statements or other information as may be deemed necessary, from any applicant.
3. To waive any nonconformity with these policies by action of the City Council.
4. To waive any timetables established herein

The City may exercise the foregoing rights at any time without notice and without liability to any applicant, developer and/or project or any other party for expenses incurred in the preparation of an application for economic development assistance. The preparation of any such application and any costs related thereto shall be the sole responsibility of the applicant.